

*Practising
Law
Institute*

A Non-Profit Educational Institution

A Two-Day Program on

**Pitfalls and Opportunities
Under the 1954 Revenue Code**

December 10 and 11, 1954

9:30 a.m. to 5 p.m.

at the
HOTEL COMMODORE

Lexington Avenue and 42d Street
New York City

PITFALLS AND OPPORTUNITIES UNDER THE 1954 REVENUE CODE

In view of the importance of the 1954 Revenue Code, the Institute announces a monthly series of five comprehensive two-day forums on the major features of the new law and their effect on business operations and individuals. These programs analyze the many changes in basic concepts and rules. They demonstrate the advantages which are possible through the expert handling of problems and that the way you do it makes a difference.

The first two-day forum—Pitfalls and Opportunities Under the 1954 Revenue Code—critically studies the traps and danger spots as well as the opportunities for tax savings (real and illusory). Skilled tax lawyers indicate alternate solutions appropriate to different situations. Elections which must be made before the year end will be discussed. The program will be presented through short talks and panel discussion.

To the extent that time permits, a panel discussion of submitted questions will be included. Questions may be submitted in advance of the Forum.

The first Forum is described below; later Forums are listed on page 7 of this announcement.

PANEL OF SPEAKERS

December 10 and 11

Jacquin D. Bierman, of the New York Bar; **J. K. Lasser & Company**

John J. Boland, *Chadbourne, Hunt, Jaeckel & Brown*; formerly Assistant Tax Legislative Counsel, Treasury Department

Brady O. Bryson, *Chapman, Bryson, Walsh & O'Connell*; co-author of PLI monograph "Tax Aspects of Executives' Compensation"

John F. Costelloe, Tax Director, Radio Corporation of America

Adrian W. DeWind, *Paul, Weiss, Rifkind, Wharton & Garrison*; formerly Tax Legislative Counsel, Treasury Department

PANEL OF SPEAKERS (Cont'd)

Joseph P. Driscoll, Associate Professor, George Washington University Law School; formerly Legal Advisory Staff, Treasury Department

Jesse R. Fillman, *Carter, Ledyard & Milburn*

Francis A. Goodhue, Jr., *Ballantine, Bushby, Palmer & Wood*

Sydney A. Gutkin, *Gutkin & Beck* (Newark, N. J.); Associate Professor, Rutgers University School of Law

Benjamin Harrow, of the New York Bar; Professor of Law, St. John's University

Mark H. Johnson, *Rabkin & Johnson*; co-author of "Federal Income, Gift and Estate Taxation," and "Current Legal Forms with Tax Analysis"

Richard Kilcullen, *McGuigan & Kilcullen*; author of PLI monograph "Taxing Accumulation of Corporate Surplus Under Section 102"; and co-author of "The Federal Income Tax"

Russell S. Knapp, *Parker, Chapin and Flattau*; co-author of PLI monographs "Accounting Periods and Accounting Methods" and "Forms of Business Organization and the Federal Tax Laws"

James B. Lewis, *Paul, Weiss, Rifkind, Wharton & Garrison*; co-author of PLI monograph "Federal Estate Tax"

Charles S. Lyon, *Spence & Hotchkiss*; formerly Assistant Attorney General, Tax Division, Department of Justice

Isidor Sack, of the New York Bar; Comptroller, Lehman Brothers

Donald Schapiro, *Hatch, Root, Barrett, Cohen & Knapp*

Gerald Silbert, *Proskauer Rose Goetz & Maelsohn*

Harry Silverson, *Silverson & Allison*

Leonard L. Silverstein, formerly Legal Advisory Staff, Treasury Department

Leon O. Stock, of the Pennsylvania Bar; *Peat, Marwick, Mitchell & Co.*

PROGRAM

FRIDAY, DEC. 10

9:30 a.m. to 5 p.m.

Luncheon Recess—12:30 to 2 p.m.

This day's program deals with the operating problems of business enterprises, whether carried on as a sole proprietorship, partnership or corporation, and with the problems of proprietors.

**OPERATING PROBLEMS OF A BUSINESS
AND ITS PROPRIETORS**

9:30 a.m. to 12:30 p.m. and 2 to 3 p.m.

CHAIRMAN: Harry Silverson

PANEL MEMBERS: Messrs. Bryson, Driscoll, Gutkin, Harrow, Kilcullen, Knapp, Silbert and Stock

NET OPERATING LOSSES

Required adjustments; effect on dividends received deduction; availability of carry-back and carry-over to successor corporations; available methods in acquiring loss companies.

**ACCUMULATED EARNINGS AND PERSONAL
HOLDING COMPANY TAXES**

Burden of proof; new accumulated earnings credit; dividends paid after close of taxable year; determination of personal holding company status; affiliated groups; treatment of capital gains.

CAPITAL GAINS AND INVESTOR PROBLEMS

Amortization of bond premiums; timing of capital gains and losses; short sales, puts and calls; new "basis" and holding period rules; discount bonds; subdivided real estate; patents; etc.

EMPLOYER AND EMPLOYEE

Accident and health plans; fringe benefits; capital gains under qualified plans; exempt death benefits; stock options; deferred compensation.

DEPRECIATION AND AMORTIZATION

Available methods; proposed regulations; group, classified and composite accounts; additions and retirements; available elections to amortize various types of expenditures.

NEW ACCOUNTING RULES

Prepaid income and reserves for estimated expenses; real estate taxes; cancellation of indebtedness; change to installment method; hybrid accounting methods.

SPECIAL PROBLEMS OF PARTNERSHIPS

3 to 5 p.m.

CHAIRMAN: Mark H. Johnson

PANEL MEMBERS: Messrs. Driscoll, Fillman, Sack, and Schapiro

Adoption of taxable year by new partnership; change of taxable year by partner or partnership; termination of taxable year by death, retirement, reorganization, etc.; allocation among partners of specific items of income or deduction; contribution of property vs. sale to partnership vs. sale of undivided interest to partner vs. lease to partnership; sale of partnership interest; basis of partnership assets for purchaser of partnership interest or for beneficiary of deceased partner; payments to retiring or deceased partner as income or purchase price.

SATURDAY, DEC. 11

9:30 a.m. to 5 p.m.

Luncheon Recess—1 to 2.30 p.m.

CORPORATIONS

This day's program analyzes the new tax problems, pitfalls and available choices of methods in the organization, reorganization and other important aspects of corporate activities.

CHAIRMAN: Adrian W. DeWind

PANEL MEMBERS: Messrs. Bierman, Boland, Costelloe, Goodhue, Lewis, Lyon and Silverstein

SETTING UP CORPORATIONS

Tax-free and taxable incorporations; issuance and allocation of stock; payment in stock or securities or other property; "thin" capitalizations; sales and exchanges; bad debts; multiple corporations.

BUYING AND SELLING BUSINESSES

Changes in buying and selling patterns; stock or assets; buyers' and sellers' viewpoints.

DISTRIBUTING CASH OR PROPERTY

Dividends; stock dividends; "bail-outs"; redemptions of stock; and other distributions.

DIVIDING AND SEPARATING BUSINESSES

Pro rata and non-pro rata division; compliance with five-year conduct of business requirement; effects of tax-
(over)

able or tax-free acquisitions of stock or assets prior to separation.

LIQUIDATING BUSINESSES

Complete liquidations; gain or loss on sales or exchanges (Court Holding Co. doctrine); special basis rule (Kimbrell-Diamond doctrine); partial liquidations; collapsible corporations.

FEES AND ENROLLMENT

Fees (for other than Institute members): \$25 for the two-day program; \$12.50 for either day. The program does not include luncheon meetings. The fees have been reduced accordingly.

To register, complete and return the enclosed enrollment blank together with your remittance. If you will be accompanied by guests please note their names and addresses on an accompanying sheet and include their tuition fees with your remittance. If you are not enrolling for both days please be sure to mark clearly which day you and each of your guests will attend. Identification tickets will be forwarded on receipt of registration forms. If for any reason an enrollee is unable to attend, full refund will be made.

A NEW 1954 CODE EDITION OF FUNDAMENTALS OF FEDERAL TAXATION

The PLI monograph series "Fundamentals of Federal Taxation" (over 1,000 pages) has been widely used for many years. A new edition, thoroughly revised in the light of the 1954 Revenue Code, is in preparation. The first of the twelve monographs in the new series will be available shortly. Others will be mailed to subscribers as issued during succeeding months. Subscription to the new series is \$15, to be billed when the first of the new series is mailed. If you desire one or more sets of these revised monographs reserved for you, check appropriate squares on the enclosed enrollment blank.

ADDITIONAL TAX FORUMS

In addition to the program described above, PLI will conduct four other two-day Forums on the 1954 Revenue Code. They are designed to bring to the tax practitioner authoritative and detailed discussions of the important changes effected by the new Code and of their business implications. The schedule given below will enable you to reserve appropriate dates on your calendar.

Jan. 14-15

Computing Income and Filing Returns

Friday: GROSS INCOME, DEDUCTIONS AND CAPITAL GAINS

Saturday: TAX RETURNS AND ESTIMATED TAXES

At the Hotel Commodore, New York City

Feb. 11-12

Estate Planning

Friday and Saturday: ESTATES AND TRUSTS, INSURANCE PLANNING, ANNUITIES, ESTATE AND GIFT TAXES, INCOME TAXATION OF ESTATES AND TRUSTS

At the Hotel Commodore, New York City

March 18-19

Partnerships and Closed Corporations

Friday: TAX PROBLEMS OF PARTNERSHIPS

Saturday: CLOSED CORPORATIONS AND UNINCORPORATED ENTERPRISES

At the Hotel Commodore, New York City

April 22-23

Corporations

Friday: DISTRIBUTIONS, LIQUIDATIONS AND REDEMPTIONS

Saturday: ORGANIZING AND REORGANIZING CORPORATIONS

*At the Engineering Societies Building
29 West 39th Street, New York City*

The fee for each two-day program is \$25; single days, \$12.50. Those wishing to attend all five programs including December 10 and 11 (10 days) may do so at a special fee of \$100. For advance registration please use the reverse of the enclosed enrollment blank. All registration fees are subject to refund in full if for any reason an enrollee is unable to attend.

TAX ADVISORY COUNCIL

The Institute's programs and publications in the field of federal taxation are planned and developed under the guidance of the following council of tax lawyers:

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